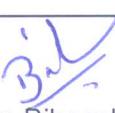
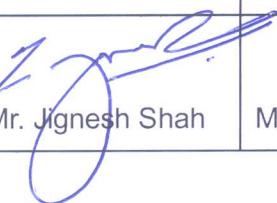




Ethics and Fair Business Practices

Revision No & Date	Revision Type	Prepared/ Revised By	Validated By	Approved By
00 & 15-11-2016	New Document	 Mr. Bibeesh S.L.	 Mr. Jignesh Shah	 Mr. Renil Gogri

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1. Objective

Aarti Industries Limited (AIL) requires each of us to make ethical business decisions and to avoid conflicts of interest. It's our policy to conduct business with honesty, integrity and highest possible ethical standards, in compliance with applicable laws, and in a manner that excludes considerations of direct and indirect personal advantage / gains, bribery or corruption. Our commitment to business extends to all our business relationships and to all interactions with government officials.

2. Scope and Applicability

This policy is applicable to all employees of the Company.

3. Policy Details

This Section is designed to keep Business Interactions Legal, Ethical & Professional ensuring that AIL employees protect themselves from any suspicion of wrongdoing and safeguard AIL's reputation.

It focusses on Eight Key Areas (EKA) as follows

1. Anti Bribery and Corruption
2. Gifts and Hospitality (G&H)
3. Anti Money Laundering
4. Anti Fraud
5. Conflicts of Interest
6. Anticompetitive/Antitrust Practices
7. Accurate Business Records and Public Disclosures
8. No Insider Trading

3.1 Anti Bribery and Corruption:

Corrupt arrangements with customers, suppliers, government officials, or other third parties are strictly prohibited. "Corruption" generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means. Corruption may involve the exchange of "anything of value." "Anything of value" is very broad and could include goods, services or merchandise, such as gift cards, event tickets, retail certificates, entertainment, travel perks, use of vacation homes, free airfare or accommodations, special favors or privileges, donations to designated charities, discounts, free personal services, financial or property loans, co-signing of a loan or mortgage, or a promise of future employment.



Corruption may involve payments or the exchange of anything of value and includes the following activities:

- Bribery (bribery of a government official or commercial bribery)
- Kickbacks

Bribery: Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Kickbacks: The term “kickback” includes any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind whether in cash or kind that is provided directly or indirectly to anyone for the purpose of inappropriately or improperly obtaining or rewarding favourable treatment. “Kickbacks” are typically payments made to commercial organizations in return for a business favor/ advantage, such as a payment made to secure the award of a contract.

Bribery and Kickbacks is illegal. Employees and anyone acting on AIL's behalf must not engage in any form of bribery, shall not make or accept “Kickbacks” of any kind either directly or through any third party (such as an agent or distributor). We take a zero tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and implementing and enforcing effective systems to counter bribery or corruption.

3.2 Gifts and Hospitality (G&H)

It is important to do the Right Thing. At AIL, we expect one another to work in best interests of the company. Employees or members of their immediate family members (It will include any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunt, uncle, and cousin (step- or -in-law), Member's of HUF. In some situations, a relationship with a non-family member also may present a conflict. These examples do not include all persons who may present an employee with a conflict) may not provide, solicit or accept for themselves or others any gifts, favours, business courtesies or entertainment without a legitimate business purpose, nor seek and accept loans (other than conventional loans at Market Rates from lending institutions) from any person or business organization having and seeking business with Aarti Industries Limited to avoid any Conflict of Interest.

3.3 Anti Money Laundering

Money laundering occurs when the proceeds of crime are hidden in legitimate business dealings, or when legitimate funds are used to support criminal activities, including terrorism. We must be on our guard to help protect our reputation and ensure we comply with the law.



Our Responsibilities are

1. We expect to not knowingly deal with criminals, suspected criminals or the proceeds of crime.
2. We expect one must due diligence requirement specified by AIL so that we know who we are doing business with.
3. We should always ensure that we are conducting business with reputable customers for legitimate business purposes with legitimate funds.
4. We expect one must not facilitate the acquiring, ownership or control of criminal property.

3.4 Anti Fraud

You misuse company resources, and commit fraud, when you intentionally conceal, alter, falsify or omit information for your benefit or the benefit of others. Fraud may be motivated by the opportunity to gain something of value (such as meeting a performance goal or obtaining a payment) or to avoid negative consequences (such as discipline). Examples of fraud include:

- Altering manufacturing numbers to meet productivity goals
- Presenting false medical information to obtain disability benefits
- Falsely reporting time worked to earn more pay or to avoid discipline for being late or absent from work
- Misrepresenting sales or donations of products to obtain unauthorized pricing for a customer
- Misstating financial information in our company's books and records

At AIL, we expect one should never compromise honesty and integrity by committing fraud. AIL relies on its internal controls and the personal integrity of all its employees, contractors and directors to protect Company assets against damage, theft and other unauthorized use.

3.5 Conflicts of Interest

As employees, we must ensure that our personal activities and interests do not conflict with our responsibilities to the company. We must avoid even the appearance of a conflict of interest. It is not an employee's responsibility to determine whether a conflict ultimately is found to exist. Rather, it is the employee's responsibility to disclose the potential conflict, so that management can address the situation.

Conflicts of interest may arise when you, a family member or a friend:

- Engage in activities that compete with, or appear to compete with, our company's interests
- Let your business decisions be influenced, or appear to be influenced, by personal or family interests or friendships
- Use company property, information or resources for personal benefit or the benefit of others
- Hire, supervise or have a direct or indirect line of reporting to a family member or someone with whom you have a romantic relationship
- Have outside employment that negatively affects your job performance or interferes with your AIL's responsibilities



- Work for, provide services to, have a financial interest in or receive any personal benefit from a supplier, customer, competitor or a company that does or seeks to do business with AIL if such relationship or interest could influence, or appear to influence, your business decisions.

You must disclose potential conflicts of interest to our company. Remember, having a conflict of interest is not necessarily a Code violation, but failing to disclose it is. If at any time in your employment you think that you may have a potential or actual conflict of interest, you have an obligation to disclose the conflict promptly to our company so that a determination can be made as to the existence and seriousness of an actual conflict. Many times conflicts can be resolved by an open and honest discussion. Certain material conflicts may require the acknowledgement of your confidentiality obligations, reassignment of roles, or recusal from certain business decisions.

Putting Conflict of Interest Concepts into Practice: To determine if you have a conflict of interest that should be disclosed, ask yourself these questions:

- Do my outside interests influence, or appear to influence, my ability to make sound business decisions?
- Do I stand to benefit from my involvement in this situation? Does a friend or relative of mine stand to benefit?
- Could my participation in this activity interfere with my ability to do my job?
- Is the situation causing me to put my own interests ahead of AIL's interests?
- If the situation became public knowledge, would I be embarrassed? Would AIL be embarrassed?

3.6 Anticompetitive/Antitrust Practices

Antitrust laws protect free enterprise and fair competition. Supporting these principles is important to us, not just because it is the law, but because it is what we believe in. We expect AIL employees to play their part in combating illegal practices. These include pricefixing, market sharing, output limitation or bid-rigging, and anticompetitive or monopoly practices. Be vigilant in not entering into any kind of inappropriate conversation or agreement with our competitors.

Our responsibilities are

1. We must not agree with competitors, even informally, to fix price or any element of price, such as discounts, surcharges or credit terms.
2. We must not agree with competitors to reduce or stabilise production, capacity or output.
3. We must not agree with competitors to divide up particular customers, accounts or markets.
4. We must not rig bids or tenders.
5. We must not agree with others to boycott any customer or supplier except in connection with internationally imposed government sanctions.
6. We must speak up if we know of any potentially anti-competitive practices or if we are uncertain whether or not practices are legal.

Competitive information is important to company's business success and there are legal and ethical ways to collect the data. Employees can help avoid having substantial civil and criminal penalties imposed on the company and themselves by complying with company's guidelines.

1. Do not misrepresent oneself or the reason for requesting information
2. Do not steal any information from a competitor or another business
3. Consult ACC if in any doubt

3.7 Accurate Business Records and Public Disclosures

Business Records: "Business records" include any document, or communication in paper or electronic form that is maintained in the course of business. This covers a wide variety of information, including: presentations, spreadsheets, payroll documents, time cards, attendance records, legal agreements, information in filings with governmental agencies, inventory records, invoices, purchase orders, market research tests, lab tests, quality control tests, travel and expense reports, inspection records, transportation logs, hazardous material records, accident reports, and business plans.

AIL's focus on speaking with truth and candor underscores our commitment to accuracy in our company's books and records. Business records, including our financial statements, contracts and agreements, must always be accurate and reflect a forthright presentation of the facts. No matter what type of document or how insignificant it might seem, the information contained in a business record must always be truthful and complete. Financial records must reflect all components of the financial transactions and events. If you notice an inaccuracy in a company record, or a failure to follow our internal control processes, you must promptly speak up and report it.

Our investors and the general public rely on our company, and the law obligates us, to report accurately on our business, our earnings and our financial condition. The Accurate financial reporting means you should never:

- Understate or overstate known or estimated liabilities or assets
- Accelerate or defer costs in violation of generally accepted accounting principles
- Fail to properly maintain supporting documents for business transactions
- "Channel stuff," "trade load" or otherwise inflate or deflate quarterly or annual sales by pulling forward or delaying shipments or intentionally selling larger quantities than the customer needs.

If you are involved in any aspect of preparing our financial statements, or the certifications on which they rely, you must always follow our financial policies, our system of internal controls and generally accepted accounting principles.

3.8 No Insider Trading

You may violate the law if you trade stock on "inside information." In the course of performing your job, you may learn of certain confidential information that qualifies as "material non-public

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information" about AIL, one of its customers, suppliers or business partners or other third party. Information is considered to be "material non-public information" when it:

- has not been widely disseminated to the public, and
- is information that a reasonable investor would consider important in making a decision to buy or sell a particular security

You should not disclose material non-public information to anyone outside our company, including family members and friends. Kindly refer to Insider Trading Policy for more details.

4. What we expect from an employee of AIL

Every employee must ensure that he / she shall read, understand and comply with this Policy. If any employee has doubts or concerns, he / she should contact AIL Compliance Committee (ACC). The prevention, detection and reporting of bribery, fraud, money laundering, anticompetitive practices and other forms of corruption/ malpractices are the responsibility of all those working for AIL or under AIL control. All employees are required to avoid any activity that might lead to, or suggest, a breach of this policy. Employees must notify ACC as soon as possible if you believe or suspect that a breach of or conflict with this Policy has occurred or may occur in the future. Any employee who breaches this Policy will face disciplinary action, which could result in dismissal. We reserve our right to terminate our relationship with concerned if breach of this Policy is found. Any breach of this Policy would also result in imposition of large fines/ imprisonment on the individual/ the Company as the case may be or termination of contract with a Third Party.

5. How to raise concern

Every employee and person, to whom this policy applies to, is encouraged to raise their concerns or issues in any of the EKA's described above or suspicion of any malpractice at the earliest possible stage. If he / she is unsure whether a particular act constitutes bribery or corruption or if he / she has any other queries, these should be raised with ACC.

6. What to do if you are a victim of violating EKA?

It is his / her responsibility to inform / report it to the ACC as soon as possible. If you are offered a bribe by a third party, or you are asked to make one, or you may be knowingly or unknowingly part of money laundering, fraud or antitrust etc and suspect that this may happen in the future or believe that you are a victim of another form of corruption or other unlawful activity, you must explain our policy to third party against accepting or making such payment and make it clear that the refusal is final and nonnegotiable because of this Policy. If you encounter any difficulty making this refusal, you should seek assistance from ACC immediately.



7. Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. AIL's Whistleblower Policy supports to maintain the confidentiality nature of the person reporting any kind of malpractices. We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the ACC immediately.

8. Communication

Any revision / changes must be communicated to all the employees of the Company.

9. Monitoring, Review and Reporting

The AIL Compliance Committee will monitor the effectiveness and review the implementation of this policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to it and also monitor compliance of it. Every person / employee to whom this policy applies is responsible for the success of this Policy and should ensure that he / she should use it to disclose any suspected activity or wrongdoing.

ACC Team will make a report on no of cases reported, found and action taken against it in each of Eight Key Areas (EKA).

10. AIL Compliance Committee (ACC)

ACC Committee comprises of the following team members

Mr. Renil Gogri, Director

Mr. Jignesh Shah, VP- HR

This policy form part of employee's contract of employment and it may be amended at any time depending on the Business Requirement.

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